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6 Proposed attorneys for Debtor and Debtor in  
Possession Better Nutritionals, LLC  
7  
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9 **UNITED STATES BANKRUPTCY COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**  
11 **RIVERSIDE DIVISION**  
12

13 In re  
14 BETTER NUTRITIONALS, LLC,  
15 Debtor.

Case No. 6:22-bk-14723-MH

Chapter 11

**SUPPLEMENTAL DECLARATION OF  
SHARON HOFFMAN RE DEBTOR'S  
REQUEST FOR FINAL ORDER  
AUTHORIZING USE OF CASH  
COLLATERAL THROUGH MARCH 31,  
2023, AND GRANTING RELATED  
RELIEF**

Date: January 31, 2023  
Time: 2:00 p.m.  
Place: Courtroom 301  
3420 Twelfth Street  
Riverside, California

23 I, Sharon Hoffman, declare and state as follows:

24 1. I am a co-founder of, and am the Manager and Chief Executive Officer of, Better  
25 Nutritionals, LLC (the "**Debtor**").

26 2. On December 20, 2022 (the "**Petition Date**"), the Company filed my "first day  
27 declaration" in this case. Exhibit "1" to my declaration contained interim operating projections for  
28 the first thirteen weeks after the case was filed. The interim operating projections were prepared by

1 the Debtor's professionals at Force Ten Partners, LLC ("**Force 10**"), and CSA Partners, LLC  
2 ("**CSA**"), based on information available from the Debtor. In my declaration I stated that "Force  
3 10 and CSA will continue to refine the projections in the coming weeks, and I anticipate that the  
4 Company will file updated projections prior to a final hearing on the Company's motion for  
5 authority to use cash collateral."

6 3. Force 10 and CSA have continued to refine the projections since the Petition Date,  
7 based on information available from the Debtor and certain customers and vendors. Exhibit "12"  
8 hereto contains revised operating projections through March 31, 2022, and a variance report for the  
9 first two weeks of the case (through December 30, 2022).

10  
11 I declare under penalty of perjury under the laws of the United States of America that the  
12 foregoing is true and correct.

13 Executed on January 10, 2023, at Norco, California.

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16 \_\_\_\_\_  
17 Sharon Hoffman  
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**EXHIBIT 12**

**Better Nutritionals, LLC**  
**Weekly Cash Flow Projections**

	1	2	3	4	5	6	7	8	9
Week Ending	Proj 6-Jan	Proj 13-Jan	Proj 20-Jan	Proj 27-Jan	Proj 3-Feb	Proj 10-Feb	Proj 17-Feb	Proj 24-Feb	Proj 3-Mar
<b>Cash Receipts</b>									
Collections	38,749	554,760	130,000	550,000	1,317,096	837,096	837,096	1,022,096	817,096
Other	0	0	0	0	0	0	0	0	0
<b>Total Receipts</b>	38,749	554,760	130,000	550,000	1,317,096	837,096	837,096	1,022,096	817,096
<b>Disbursements</b>									
Raw Materials & Other COGS	0	(100,000)	0	(89,159)	(349,516)	(349,516)	0	(191,879)	0
Corporate Payroll	0	(282,458)	0	(282,458)	0	(282,458)	0	(277,968)	0
Health & WC Insurance	(49,654)	(66,616)	0	(12,418)	(72,698)	(17,418)	0	(12,418)	(50,598)
Commercial Insurance	0	0	0	0	(107,937)	0	0	0	(80,029)
External Staffing	(13,400)	(9,406)	(16,750)	(75,950)	(90,750)	(90,750)	(90,750)	(90,750)	(90,750)
Rent & CAM	0	0	0	0	(75,395)	0	(75,395)	0	(527,866)
Utilities	0	(40,130)	(93,907)	(12,764)	(22,369)	(8,901)	(102,714)	(12,764)	(22,369)
Other General & Administrative	(11,677)	(12,482)	(70,321)	(43,677)	(97,154)	(49,561)	(69,561)	(42,561)	(100,307)
<b>Total Operating Disbursements</b>	(74,731)	(511,093)	(180,978)	(516,426)	(815,819)	(798,604)	(338,421)	(628,341)	(871,919)
<b>Operating Cash Flows</b>	(35,982)	43,667	(50,978)	33,574	501,277	38,492	498,676	393,755	(54,823)
Utility Deposits	0	0	0	0	(148,294)	0	0	0	0
Ch 11 Professional Fees	0	0	0	0	0	0	(350,000)	0	0
U.S. Trustee Fees	0	0	0	(2,521)	0	0	0	0	0
<b>Restructuring Disbursements</b>	0	0	0	(2,521)	(148,294)	0	(350,000)	0	0
<b>DIP Loan Draws (Payments)</b>	0	0	0	0	0	0	0	0	0
<b>Net Cash Flows</b>	(35,982)	43,667	(50,978)	31,053	352,983	38,492	148,676	393,755	(54,823)
<b>Beginning Cash</b>	60,565	24,583	68,250	17,273	48,326	401,309	439,801	588,477	982,232
<b>Ending Cash</b>	24,583	68,250	17,273	48,326	401,309	439,801	588,477	982,232	927,408
<b>Cash Higher (Lower) than Petition Date</b>	(298,652)	(254,985)	(305,963)	(274,909)	78,074	116,566	265,241	658,996	604,173

**Better Nutritionals, LLC**  
**Weekly Cash Flow Projections**

Week Ending	10	11	12	13	13 Week Total
	Proj 10-Mar	Proj 17-Mar	Proj 24-Mar	Proj 31-Mar	
Cash Receipts					
Collections	367,096	467,096	407,096	342,096	7,687,374
Other	0	0	0	0	0
Total Receipts	367,096	467,096	407,096	342,096	7,687,374
Disbursements					
Raw Materials & Other COGS	0	0	(172,300)	0	(1,252,369)
Corporate Payroll	(277,968)	0	(277,968)	0	(1,681,278)
Health & WC Insurance	(12,418)	0	(12,418)	(50,598)	(357,255)
Commercial Insurance	0	0	0	0	(187,966)
External Staffing	(90,750)	(90,750)	(90,750)	(90,750)	(932,256)
Rent & CAM	0	0	0	0	(678,656)
Utilities	(1,724)	(102,352)	(20,304)	0	(440,300)
Other General & Administrative	(49,561)	(71,247)	(33,561)	(42,061)	(693,730)
Total Operating Disbursements	(432,421)	(264,348)	(607,302)	(183,409)	(6,223,811)
Operating Cash Flows					
	(65,325)	202,748	(200,206)	158,687	1,463,563
Utility Deposits	0	0	0	0	(148,294)
Ch 11 Professional Fees	0	0	0	(650,000)	(1,000,000)
U.S. Trustee Fees	0	0	0	0	(2,521)
Restructuring Disbursements	0	0	0	(650,000)	(1,150,816)
DIP Loan Draws (Payments)	0	0	0	0	0
Net Cash Flows	(65,325)	202,748	(200,206)	(491,313)	312,747
Beginning Cash	927,408	862,083	1,064,831	864,626	60,565
Ending Cash	862,083	1,064,831	864,626	373,312	373,312
Cash Higher (Lower) than Petition Date	538,848	741,596	541,390	50,077	

**Better Nutritionals, LLC**  
**Weekly Cash Flow Projections**

Key Assumptions:

- Collections are projected by customer and are based on management estimates and recent discussions with customers, including a potential bulk sale from existing inventory. To be conservative, no collections have been assumed from Goli during this timeframe.
- Raw Materials are projected based on anticipated costs to complete current orders, as well as Raw Materials required for forecasted orders.
- Corporate Payroll is based on most recent payroll run, less identified cost reductions to be implemented.
- Health, WC, and Commercial Insurance is based on recent payment amounts and include a catch-up of previously outstanding amounts.
- External Staffing is based on updated projections and anticipated production levels.
- Rent, CAM & Utilities are based on recent payment amounts.
- Projected three months of Rent payments in the Gardena facility but only one month in the Norco facility. Management is engaging in discussions with the Norco landlord on how to appropriately satisfy any potential arrearages.
- Other G&A includes items such as Bank Fees, Computer Software & Networking Services, Tools & Supplies, Repairs & Maintenance, Outside Services, and Marketing, and is based on recent expense trends since July.
  
- Utility Deposits are based on the recent 3-month average of current actual monthly charges.
- Ch 11 Professional Fees are estimated, inclusive of time to obtain court approval and an assumed 20% holdback.
- U.S. Trustee Fees are based on projected disbursements and the current UST Fee structure.
  
- No DIP Loan Draws are projected. The Debtor is in the process of determining if DIP financing is required; an update will be provided if and when appropriate.

**Better Nutritionals, LLC**  
**Consolidated Variance Analysis**

	Actual	Proj	Variance
	Two Weeks Ending 12/30/22		

**Cash Receipts**

Collections	52,491	1,400,000	(1,347,509)
Other	0	0	0
<b>Total Receipts</b>	<b>52,491</b>	<b>1,400,000</b>	<b>(1,347,509)</b>

Lower Collections due to delay in anticipated bulk inventory sale (\$1.2mm), plus other amounts came in earlier than expected (see Beginning Cash comment below)

**Disbursements**

Raw Materials & Other COGS	0	(408,655)	408,655
Corporate Payroll	(282,458)	(350,000)	67,542
Health & WC Insurance	(12,526)	(205,816)	193,290
Commercial Insurance	0	(49,600)	49,600
External Staffing	(20,177)	(272,000)	251,823
Rent & CAM	0	0	0
Utilities	0	0	0
Other General & Administrative	0	0	0

<b>Total Operating Disbursements</b>	<b>(315,161)</b>	<b>(1,286,071)</b>	<b>970,910</b>
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Lower Total Operating Disbursements due to lower Collections, plan to catch up in coming weeks (i.e., any needed catch-up amounts included in updated forecast)

<b>Operating Cash Flows</b>	<b>(262,670)</b>	<b>113,929</b>	<b>(376,600)</b>
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Utility Deposits	0	0	0
Ch 11 Professional Fees	0	0	0
U.S. Trustee Fees	0	0	0
<b>Restructuring Disbursements</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>DIP Loan Draws (Payments)</b>	<b>0</b>	<b>0</b>	<b>0</b>
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<b>Net Cash Flows</b>	<b>(262,670)</b>	<b>113,929</b>	<b>(376,600)</b>
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<b>Beginning Cash</b>	<b>323,235</b>	<b>126,536</b>	<b>196,700</b>
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<b>Ending Cash</b>	<b>60,565</b>	<b>240,465</b>	<b>(179,900)</b>
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Higher Beginning Cash because some projected Collections came in earlier than expected

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 1901 Avenue of the Stars, Suite 450, Los Angeles, CA 90067-6006.

A true and correct copy of the foregoing document entitled (*specify*): SUPPLEMENTAL DECLARATION OF SHARON HOFFMAN RE DEBTOR'S REQUEST FOR FINAL ORDER AUTHORIZING USE OF CASH COLLATERAL THROUGH MARCH 31, 2023, AND GRANTING RELATED RELIEF will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) January 10, 2023 I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page.

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) January 10, 2023, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page.

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) \_\_\_\_\_, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

January 10, 2023

*Date*

Patricia Morris

*Printed Name*

/s/ Patricia Morris

*Signature*



**ADDITIONAL SERVICE INFORMATION (if needed):**

**1. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")**

- **Marshall J August** maugust@frandzel.com, rsantamaria@frandzel.com
- **Reem J Bello** rbello@goeforlaw.com, kmurphy@goeforlaw.com
- **Anthony Bisconti** tbisconti@bklwlaw.com, 7657482420@filings.docketbird.com; docket@bklwlaw.com
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- **Cameron C Ridley** Cameron.Ridley@usdoj.gov
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- **Thomas Tysowsky** thomas.tysowsky@bakermckenzie.com, carmen.ayala@bakermckenzie.com
- **United States Trustee (RS)** ustpreion16.rs.ecf@usdoj.gov
- **Christopher K.S. Wong** christopher.wong@afslaw.com, yvonne.li@arentfox.com

**2. SERVED BY U. S. MAIL**

Debtor  
Better Nutritionals, LLC  
3390 Horseless Carriage Drive  
Norco, CA 92860

Hon. Mark Houle  
U. S. Bankruptcy Court  
3420 Twelfth Street, Suite 325  
Riverside, CA 92501-3819

**20 LARGEST UNSECURED CREDITORS**

Capital One PO Box 30285 Salt Lake City, UT 84130-0285	Capital One Financial Corp c/o Officer, Managing or General Agent 1680 Capital One Drive McLean, VA 22102-3491	Caliber Construction Inc 240 N. Orange Avenue Brea, CA 92821
Caliber Construction Inc c/o Anna M. Carno, Esq. Carno Law Group 24031 El Toro Rd., Suite 260 Laguna Hills, CA 92653	Southern California Edison P. O. Box 300 Rosemead, CA 91772	Shri Kartikeya Pharma c/o Tara L. Blake, Esq. Butler Snow, LLP 150 3rd Avenue South, Suite 1600 Nashville, TN 37201

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

Citistaff Solutions, Inc. Attn: Legal Dept./Slater & Assoc. c/o Charles C. Slater, Esq. 1111 W. Town & Country Rd., Suite 30 Orange, CA 92868	Amtech Ingredients 517 Adams Avenue Albert Lea, MN 56007	AGPE Corp. 21715 The Trails Circle Murrieta, CA 92562
AGPE Corp. c/o Ariel Guizar, Agent for Service of Process 21715 The Trails Circle Murrieta, CA 92562	Saddle Ranch APG LLC PO Box 51930 Los Angeles, CA 90051	Saddle Ranch APG LLC c/o Daniel L. Webb, Agent for Service of Process 100 Bayview Circle, Suite 310 Newport Beach, CA 92660
BRS Beyond Resource Solutions, Inc 1475 South State College Blvd Suite 116 Anaheim, CA 92806	BRS Beyond Resource Solutions, Inc. c/o Clayton J. Hix, Esq. Hill, Farrer & Burrill LLP 300 S. Grand Avenue, 37th Floor Los Angeles, CA 90071	SouthWest ToyotaLift <del>PO Box 1070</del> <del>3725 Nobel Ct.</del> <del>Mira Loma, CA 91752</del>  SERVED VIA NEF ON: Garrick A Hollander on behalf of Creditor Southwest Material Handling, Inc. dba Southwest Toyota Lift ghollander@wghlawyers.com, jmartinez@wghlawyers.com;svillegas@wghlawyers.com
J. Rettenmaier USA LP 16369 US 131 Highway Schoolcraft, MI 49087	J. Rettenmaier USA LP c/o Richard O. Cherry, Esq. Miller Johnson 100 W. Michigan Ave., Suite 200 Kalamazoo, MI 49007	Mold Rite Plastics PO Box 160 100 N. Field Drive Lake Forest, IL 60045
Capitol Food Company 12836 Alondra Blvd Cerritos, CA 90703	Gadot America Inc. 1 Meadow Road, Suite 205 Florida, NY 10921-1140	Allied Universal Security Services (Corporate Headquarters West) 450 Exchange Irvine, CA 92602
Stratum HR LLC 23052 Alicia Parkway, Suite H533 Mission Viejo, CA 92692	Stratum HR LLC c/o 1505 Corporation 1108 Pacific Registered Agents, Inc. Four Embarcadero Center, Ste. 1400 #85 San Francisco, CA 94111	Southern California Edison c/o Cristina Limon, Agent for Service of Process 2244 Walnut Grove Ave. Rosemead, CA 91770
Servicon Systems, Inc. 3965 Landmark Street Culver City, CA 90232	Servicon Systems, Inc. c/o Nick Iezza, Esq. Spiwak & Iezza 555 Marin St., Suite 140 Thousand Oaks, CA 91360	Custom Ingredients Inc 160 Calle Iglesia San Clemente, CA 92672

Custom Ingredients Inc. c/o Robert J. Danko, Esq. Law Office of Robert J. Danko 31805 Temecula Parkway, #623 Temecula, CA 92592	Shri Kartikeya Pharma H. no. 5-5-36/15/A, Opp NCS complex Prashanti Nagar, IDA kukatpally Hyderabad, Telangana 500072 INDIA	LS Link Co Ltd Unit 208A 25/F Bank of America Twr 12 Harcourt Road Central, Hong Kong
Tay Ninh Tapioca Joint Stock Company Tan Binh Hamlet Tay Ninh Province, VIETNAM	Tay Ninh Tapioca JSC c/o Officer, Managing or General Agent CH1, Sky Center 5B Pho Quang Street, Ward 2, Tan Binh District, Ho Chi Minh City, VIETNAM	

**SECURED CREDITORS .**

Aramark Services, Inc. ATTN: James Tarangelo, CEO 2400 Market St. Philadelphia, PA 19103	Suitable Staffing Solutions, Inc. ATTN: Ramon Gonzalez, Agent for Service 801 W. Victoria St., Suite A-1 Compton, CA 90220	Suitable Staffing Solutions, Inc. c/o Marshall J. August Frandzel Robins Bloom & Csato, L.C. 1000 Wilshire Blvd., 19th Floor Los Angeles, CA 90017
Atos IT Solutions and Services, Inc. ATTN: Dave Seybold, CEO 4851 Regent Blvd. Irving, TX 75063	Atos IT Solutions and Services, Inc. c/o Paul J. Keenan Jr. Baker & McKenzie LLP 1111 Brickell Avenue, Suite 1700 Miami, FL 33131	Sharon and Odelya Hoffman c/o Better Nutritionals, LLC 3390 Horseless Carriage Dr. Norco, CA 92860